

No. NH-24028/03/2026-H
GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT & HIGHWAYS
(Highways Section)
Transport Bhawan, 1, Parliament Street, New Delhi- 110001.

Dated: 08.10.2026

To,

1. The Chairman, National Highways Authority of India (NHAI), Dwarka, New Delhi
2. The Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi-110010
3. The Managing Director, National Highways & Infrastructure Development Corporation Limited (NHIDCL), Nauroji Nagar, New Delhi - 110029
4. The Principal Secretaries/ Secretaries of all States/ UTs Public Works Department dealing with National Highways
5. The Engineers-in-Chief and Chief Engineers of all States/ UTs Public Works Department dealing with National Highways
6. All Regional Officers of Ministry of Road Transport & Highways

Subject: Cost Escalation Compensation Mechanism for National Highway projects on EPC / HAM / PBMC due to significant increase in bitumen prices - reg.

Ref:- (i) Ministry's letter no. NH-24028/03/2026-H dated 01.04.2026 on monthly payment and
(ii) Ministry's letter no. NH-24028/03/2026-H dated 17.04.2026 on Bitumen escalation mechanism in contracts with no price escalation clause
(iii) Ministry's letter no. NH-24028/03/2026-H dated 25.04.2026 on Bitumen escalation mechanism in / HAM Projects
(iv) Ministry's letter no. NH-24028/03/2026-H dated 18.05.2026 clarification regarding applicability on all category of bitumen
(v) Ministry's letter no. NH-24028/03/2026-H dated 29.07.2026 regarding extension of the above circular till 31.12.2026

Sir,

Ministry has issued the Cost Escalation Compensation Mechanism for National Highway projects on EPC / HAM / PBMC for significant increase in bitumen prices vide above referred circulars in order to mitigate the impact of the abnormal increase in prices of bitumen which was affecting highways construction projects.

2. The increased rate of bitumen has been reviewed and observed that rates are still in a higher range. Considering the prices of bitumen being in higher range, validity of the above circulars is being extended till 31.12.2026

3. This circular shall have effect for works done in the period from 1st April 2026 to 31st December 2026 only for projects where the bid due date was prior to 1st April, 2026

4. This issue with the concurrence of IFD and approval of Competent Authority.

Yours faithfully,



(Shoba Basil)

Deputy Secretary (P&M)

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Copy to:

1. All Technical Officers at MoRTH Headquarters
2. Secretary General, Indian Roads Congress
3. Director, IAHE
4. SE (S&R)
5. NIC - with the request to upload on MoRTH website

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